

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2479 - HB 2594**

February 25, 2018

**SUMMARY OF BILL:** Entitles state employees hired after June 30, 2015 to longevity pay.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$445,800/FY18-19  
\$916,200/FY19-20  
\$1,347,700/FY20-21  
Exceeds \$1,347,700/FY21-22 and Subsequent Years**

Assumptions:

- Longevity awards tenure of employees by paying \$100 for each year of state service and is awarded annually after an employee completes three years of qualifying state service.
- Pursuant to Tenn. Code Ann. § 8-23-206(d)(6), executive branch employees hired after June 30, 2015, are currently not eligible to receive longevity pay. Restoring eligibility for such employees will result in increases in state expenditures beginning in FY18-19.
- It is assumed that rehires, rehired after June 30, 2015, who were initially hired prior to June 30, 2015, are still eligible to receive longevity payments under current law if they were eligible to accrue such payments during their initial service.
- According to the Department of Human Resources, in FY14-15, 1,486 executive state employees were paid \$300 in longevity, 1,176 executive state employees were paid \$400, and 863 executive state employees were paid \$500.
- These numbers are assumed to show an accurate representation of the payment schedule in any given year.
- Therefore, the increase in state expenditures in FY18-19 is estimated to be \$445,800 (1,486 x \$300); in FY19-20 is estimated to be \$916,200 [(\$445,800 + (1,176 x \$400))]; in FY20-21 is estimated to be \$1,347,700 [\$916,200 + (863 x \$500)]; and in FY21-22 and subsequent years is estimated to exceed \$1,347,700.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/trm